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Form 69 (Revised)

Chase Twitch, Edwin

WAR DEPARTMENT—STRATEGIC SERVICES UNIT

SECRET

OFFICIAL DISPATCH

DATE 30 APRIL 46

FROM SHANGHAI

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#SHAN 773. SHUAA AND SHUDD TO SSUAA AND SSUDD.

COL. YEATON, NEW THEATER G-2, CALLED MEETING 29 APRIL OF CIS, CIC AND X-2 TO DISCUSS COORDINATION OF EFFORTS, GOING ON PREMISE THAT WE ARE ALL SUBJECT TO "OPERATIONAL CONTROL" G-2. HE ASSUMED AUTHORITY TO DIRECT ACTIVITIES OF ALL AGENCIES PRESENT AND WAS PREPARED TO DESIGNATE THE TYPE OF CASE AND FIELD OF ENDEAVOR FOR EACH AGENCY SO AS TO ACHIEVE "MAXIMUM EFFICIENCY". I OBJECTED TO THIS, STATING X-2 IS UNDER OPERATIONAL CONTROL OF WASHINGTON, RECEIVES ITS DIRECTIVES FROM THERE, AND OUR RELATION TO G-2 WAS TO SERVE THEM WITH INTELLIGENCE DEVELOPED, AND CARRY OUT SUCH INVESTIGATIONS REQUESTED BY THEATER CONSISTENT WITH OVERALL WASHINGTON DIRECTIVES AND OUR ABILITY TO HANDLE. SINCE HE WAS NOT CERTAIN OF HIS AUTHORITY, MEETING TERMINATED AFTER DISCUSSION OF OTHER POINTS. HE DESIRES WE CONVENE AGAIN 3 MAY AT WHICH TIME HE WANTED US TO HAVE OUR STATUS CLARIFIED FROM WASHINGTON AS MUCH AS POSSIBLE. URGENTLY REQUEST INSTRUCTIONS ON FOLLOWING POINTS:

(1) WHAT IS X-2 STATUS AS RELATED TO G-2 AND THEATER? HOW MUCH IF ANY CONTROL CAN THEY EXERCISE? DO I HAVE AUTHORITY TO PLAN AND DIRECT X-2 OPERATIONS WITHOUT INTERFERENCE FROM G-2?

(2) WHAT IS OUR RELATION TO CIC? SEE STUDY PREPARED BY US ENTITLED "CIC AND X-2 RELATIONSHIP CHINA THEATER" DATED 4 JULY, 1945. CIC RECENTLY BUILT UP T/O AND HAS BEEN UNDER OPERATIONAL CONTROL CIS OF G-2. ON DIRECTION HAS NOT STUCK TO OLD CONCEPT "SECURITY OF MILITARY PERSONNEL AND INSTALLATIONS" BUT IS ALSO TRYING TO DO OUR TYPE OF WORK. FOR EXAMPLE THEY HAVE 4 MEN ON RUSSIAN ACTIVITIES SHANGHAI. ALTHOUGH ARRANGEMENTS HAVE RECENTLY BEEN MADE TO RECEIVE COPIES OF THEIR REPORTS, NONE HAVE BEEN RECEIVED IN PAST WHICH IS DUE TO CONTROL BY CIS.

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(3) FOR STORY ON CIS, ITS FUNCTION AND RELATIONS, SEE LETTER OF 12 MARCH ENTITLED "COUNTER INTELLIGENCE MISSION AND OBJECTIVE FOR CIC AND SSU, CT". SINCE CIC NOW DOES LEG WORK FOR CIS ON SECURITY CHECKS, WE HAVE NO DIFFICULTY THIS SCORE, MAINLY CONCERNED WITH NAME CHECKING FOR CIC ON CORDIAL BASIS BUT HARM COMES FROM CIC AND CIS AMATEUR ACTIVITIES OUR FIELD.

(4) COL. YEATON WANTS CENTRAL COUNTER INTELLIGENCE FILE AND ALL AGREE X-2 SSU IS LOGICAL AGENCY SINCE WE HAVE ONLY CE FILES OF VALUE IN CT ANYWAY. AT MEETING, IT WAS RECOMMENDED THAT CIS BE DISCONTINUED WHICH I AGREE ON, AND X-2 AND CIC BE ONLY OPERATING AGENCIES WITH DISTINCTION AS OUTLINED IN ABOVE REFERRED MEMORANDUM. CIC ALSO VERY FAVORABLE TO THIS. CIC HEAD FORMER SSU MAN EUROPE. CIC WOULD BE UNDER OPERATIONAL CONTROL G-2, BUT AS PRACTICAL MATTER WE WOULD BE ABLE DIRECT ACTIVITIES TO OUR ADVANTAGE. WE WOULD HAVE INCREASED BURDEN OF NAME CHECKING AND CLERICAL DUTIES WHICH WOULD REQUIRE CLERICAL STAFF OF ABOUT 8. YEATON STRONGLY FOR CENTRAL FILES AND FAVORABLE TO US PROVIDING WILL BE SOME ASSURANCES FROM WASHINGTON THAT FILE WILL NOT BE REMOVED FROM THEATER. IF WE DO NOT HANDLE, HE WILL USE ONE OF OTHER AGENCIES TO OUR DETRIMENT, THEREFORE BELIEVE WE SHOULD ACCEPT BUT ARE OBVIOUS ARGUMENTS AGAINST SINCE THIS PUTS US POSITION WHERE THEATER CAN BE MORE DEMANDING BUT DO NOT THINK IT WILL MATTER IN LONG RUN ANYWAY SINCE THEATER ALREADY DEAD. DO WE WANT CENTRAL FILES? CAN WE PROVIDE SUFFICIENT CLERICAL STAFF QUICKLY? WILL FILES REMAIN CHINA PERMANENTLY?

(5) UNDER ABOVE SET UP, YEATON MENTIONED COULD MAKE CLERICAL PERSONNEL AVAILABLE TO US. MAY I USE SUCH PERSONNEL ONLY ON CONDITION MAY BE DIRECTED BY US?

(6) THIS PRESENTS OPPORTUNITY TO SETTLE THIS QUESTION ONCE AND FOR ALL, BUT WE SHOULD NOT BECOME ENTANGLED IN SQUABBLE WITH THEATER. PLEASE CABLE ANSWERS BEFORE 3 MAY AND POUCH DIRECTIVE SOONEST.

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TOR: 1014 30 APRIL 46

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